

Statement of Considerations

REQUEST BY MINNESOTA MINING & MANUFACTURING
CO. (3M) FOR AN ADVANCE WAIVER OF DOMESTIC AND
FOREIGN RIGHTS IN SUBJECT INVENTIONS MADE IN
THE COURSE OF OR UNDER DEPARTMENT OF ENERGY
CONTRACT NO. DE-AC21-96MC33089; DOE WAIVER
DOCKET W(A)-96-013 [ORO-631]

3M has made a timely request for an advance waiver of worldwide rights in Subject Inventions made in the course of or under Department of Energy (DOE) Contract No. DE-AC21-96MC33089. The scope of work for this contract calls for the development of particle-loaded membranes for the separation of specific radionuclides or toxic species from hazardous wastes present on Government and industrial sites. The work is sponsored by the Office of the Deputy Assistant Secretary for Science and Technology, Environmental Management.

The face value of the contract is \$1,235,615, with DOE providing \$1,231,512 and 3M providing real cost sharing in the amount of \$4,103. In addition, 3M is providing in-kind cost sharing in the amount of \$276,892. Also, when this contract was negotiated, 3M was determined to be entitled to a fixed fee of \$108,000, which 3M is now foregoing. The total value of the effort including all 3M cost sharing and the foregone fee is \$1,620,507. 3M's total cost sharing plus foregone fee is \$388,995, or 24% of the value of the contract.

3M has 20 years experience in particle-loaded membranes and separation science technology, and is a leading U.S. corporation in separations technology using particle-loaded membranes. It is committing resources previously used in these activities, such as personnel, equipment, and expertise, to develop the particle-loaded membranes under this contract. 3M also owns numerous patents and patent applications relating to particle-loaded membrane technology and systems. Further, 3M offers commercial particle-loaded membranes and systems which include such products as extraction disks, organic vapor monitors, and dust/mist respirators. 3M's experience and expertise will contribute substantially to commercialization of the inventions made under the contract.

3M has a history of investing its own resources to develop, test, manufacture and introduce separations technology. Under this contract, 3M is bringing its substantial background knowledge and expertise to solve a specific governmental problem involving reduction of levels of radioactive and hazardous waste. 3M's expertise is of direct benefit to the work. 3M also has a large on-going parallel program involving particle-loaded membranes and separations science, and will apply the results of this research to the DOE contract.


The contract has been executed and is proceeding with the standard Patent Rights - Acquisition by the Government clause. If the requested waiver is approved, the Patent Rights - Acquisition by the Government clause will be replaced by the Patent Rights--Waiver clause as a no-cost modification to the contract. Petitioner has approved the Patent Rights--Waiver terms and conditions, including march-in rights, the granting of licenses to background patents necessary for practicing subject inventions, retention by the government of a license, preference for U.S. industry, and a U.S. competitiveness provision.

3M agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless the Contractor can show to the satisfaction of DOE that it is not commercially feasible to do so. Further, 3M has agreed to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees.

Granting of the waiver should have little effect on competition since 3M is already in a strong position in the market based on its past large investment and the significant patent portfolio which has resulted from this investment. The relatively modest investment of government funds in this contract will merely accelerate the rate of commercialization in the specific application being investigated under this contract. Grant of this waiver will also stimulate competition as others seek to use and improve upon 3M's technology or develop alternatives.

As stated above, 3M has made a substantial investment of time and resources in developing this technology and is supporting an on-going parallel program that it needs to protect. a sound patent position including an advance patent waiver is necessary for 3M to protect its investment in the development and commercialization of this technology. Further, grant of the requested waiver should serve as encouragement to other DOE contractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

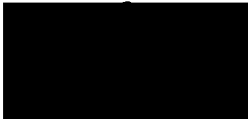
In view of the acceptable level of cost sharing by 3M, and the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.



Lisa A. Jarr
Patent Attorney

Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interest of the United States and the general public will best be served by a waiver of U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared contract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:



/s/ Gerald G. Boyd
Acting Deputy Assistant Secretary for
Science and Technology
Environmental Management

Date: 12/24/97

APPROVAL:



Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property

Date: 12-31-97

(iii) Establishes that the failure to disclose did not result from the Contractor's fault or negligence.

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Contracting Officer to be forfeited (such determination to be a Final Decision under the Disputes clause of this contract), the Contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph shall be in addition to and shall not supersede any other rights and remedies which the Government may have with respect to subject inventions.

(t) *U.S. Competitiveness.* The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless the Contractor can show to the satisfaction of DOE that it is not commercially feasible to do so. The Contractor further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees.